

Macro Insights

Fiscal deficit stands at 17.9% of BE in June 2025 against 8.4% a year ago

The government's fiscal deficit in June 2025 period came in at ₹2.81 lakh crore amounting to 17.9% of the Budgeted estimates (BE) vis-à-vis 8.4% of BE reached during the same period last year.

Highlights:

- ☞ Total expenditure stood at ₹12.22 lakh crore reaching 24.1% of the BE during June 2025. This is 400 bps higher than the expenditure in the same period last year (20.1%).
- ☞ Capital expenditure amounting to ₹2.75 lakh crore during June 2025 reached to 24.5% of the Budget Estimate compared to 16.3% during June 2024.
- ☞ Total receipts of ₹9.41 lakh crore accounted for 26.9% of the BE, up from 26% last year during the same period.
- ☞ Revenue deficit stood at 0.34 lakh crore reaching 6.4% of the BE during June 2025.

Government of India Accounts (Apr - June'2025)

	Budget Estimates 2025-2026 (₹ Lakh Crore)	Actuals Apr-June'25 (₹ Lakh Crore)	% of Actuals to Budget Estimates	
			Current	Corresponding Period Previous Year
Revenue Receipts	34.20	9.13	26.7%	26.5%
Net Tax Revenue	28.37	5.40	19.0%	21.3%
Non-Tax Revenue	5.83	3.73	64.0%	51.3%
Total Receipts	34.96	9.41	26.9%	26.0%
Revenue Expenditure	39.44	9.47	24.0%	21.3%
Interest Payments	12.76	3.86	30.2%	22.7%
Capital Expenditure	11.21	2.75	24.5%	16.3%
Total Expenditure	50.65	12.22	24.1%	20.1%
Fiscal Deficit	15.69	2.81	17.9%	8.4%
Revenue Deficit	5.24	0.34	6.4%	-7.0%
Primary Deficit	2.93	-1.05	-36.0%	-28.5%

Source: CGA

Views and Outlook:

- ☞ Gross tax collections rose by 4.6 per cent (YoY) in Apr-June 2025, driven by 8.01% growth in excise duties. While Income tax and Corporate tax saw a decline of -0.52 per cent (YoY) & -1.16 per cent (YoY) respectively Custom duties fell by - 9.88 per cent (YoY). While, Non-tax revenue rose by 33.2 per cent (YoY) and stood at 64.0 per cent of Budget estimates.
- ☞ Net tax collection reached ₹5.40 lakh crore, making up 19.0 per cent of Budget estimates. This is lower than 21.3 per cent from the same period last year due to the higher tax devolution to the states (increased to ₹3.27 lakh crore in Apr-June 2025 from ₹2.80 lakh crore in Apr-June 2024).
- ☞ In Apr-June 2025, Capital expenditure reached 24.5 per cent of BE vis-a-vis 16.3 per cent recorded in corresponding period of last fiscal. In Apr-June 2025, capex has increased by 51.9 per cent on YoY basis, amounting to ₹2.75 lakh crore.
- ☞ Interest payments, a part of revenue expenditure increased by 46.2 per cent in Apr-June 2025 to ₹3.86 lakh crore leading to a rise in revenue expenditure which stood at 24.0% of BE compared to 21.3% last year. Revenue Expenditure of the government increased by 20.05 per cent in Apr-June 2025 to ₹9.47 lakh crore.
- ☞ In the Union Budget, the government had estimated its fiscal deficit target to 4.4% of GDP aiming to maintain fiscal prudence in FY26 in line with its earlier commitment of bringing fiscal deficit down below 4.5% by FY26.

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